



**METROPOLITAN
TRANSPORTATION
COMMISSION**

AGENDA ITEMS 10 & 11

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Memorandum

TO: MTC Advisory Council

DATE: Nov 5, 2008

FR: Rebecca Long

RE: Legislative Update

FY 2008-09 State Budget

Despite being the latest budget in the state's history, the state's FY 2008-09 budget already appears to be seriously out of balance. Consequently, Governor Schwarzenegger has announced that he will convene a special session of the Legislature beginning today to bring about a balanced budget. The Governor also announced his support for reconsideration of a sales tax increase, as well as taking another look at cuts, including a suspension of Proposition 42, a major source of statewide transportation funding for local street and road repairs, state highway improvements and public transit.

In addition, the Governor signed an Executive Order requiring the formation of a bipartisan "Commission on the 21st Century Economy" to re-examine and modernize California's out-of-date revenue laws that "contribute to our feast-or-famine state budget cycles." The Commission will be comprised of 12 members, six appointed by the Governor, three appointed by the Senate President pro Tempore and three appointed by the Speaker of the Assembly. The Governor designates the chair. The members of the Commission will be named before their first meeting in November and will report their findings to the Governor and the legislature by April 15, 2009.

MTC staff will provide the committee with a verbal update on the special session and any related budget developments at your meeting.

2009 Draft Legislative Program

MTC staff will seek the advisory committee's input on proposed policy changes at the state and federal levels next year. Because the 2009 Draft Legislative Program was still under development when this memo was prepared, we will distribute a copy of it at your meeting and review the most critical proposed state and federal priorities with the committee.